THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Yes. Those names are expunged.

श्री अमर सिंह : सर, आप मुझे मेरा पूरा समय दे दीजिए। मैं यह कहना चाहता हूं कि चन्दौली के मुकाबले जो जमीन सिंगूर की थी, वह 10 परसेंट भी नहीं थी, वहां तो आंदोलन हो गया, लेकिन जब मनमोहन सिंह जी पुनर्वास और अधिग्रहण का कानून लाने लगे तो ममता बनर्जी साहिबा ने कोलाहल मचा दिया, लेकिन वहां तो Rail Freight Corridor के नाम पर चन्दौली में जमीन ली जा रही है और कांग्रेस सरकार आंदोलन कर रही है। आप आदेश दीजिए, आपकी मंत्री हैं, आप आदेश दीजिए कि इसका अधिग्रहण मत करो, अगर अधिग्रहण होगा, तो वहां खून की होली होगी। किसान अपने धान की जमीन नहीं देगा। अगर सिंगूर के किसानों की जमीन, उनकी मां और माटी है तथा वहां का मानुष, मानुष है, तो उत्तर प्रदेश के धान के किसानों की मिट्टी उसकी मां है, वहां का मानुष भी मानुष है। वह ममता बनर्जी के नेतृत्व में होने वाले इस अधिग्रहण के कब्ज़े को सफल नहीं होने देगा और इसके लिए जो भी करना पड़ेगा, वह करेगा। मैं चाहूंगा कि जैसे मैं सिंगूर गया था, वैसे वृंदा कारत जी हमारे साथ चन्दौली आएं और ममता बनर्जी के इस कार्यक्रम को विफल करें।

प्रो. राम गोपाल यादव (उत्तर प्रदेश) : उपसभाध्यक्ष जी, मैं अपने को इस विषय के साथ सम्बद्ध करता हूं।

श्रीमती जया बच्चन (उत्तर प्रदेश) : उपसभाध्यक्ष जी, मैं अपने को इस विषय के साथ सम्बद्ध करती हूं।

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Okay. We shall now take up the Rubber (Amendment) Bill, 2009.

GOVERNMENT BILLS

The Rubber (Amendment) Bill, 2009

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA): Mr. Vice-Chairman, Sir, I rise to present to the House the Rubber (Amendment) Bill of 2009. The natural rubber plays an important role in the industrial and economic development of the country. Rubber plantations provide the principal raw material required for manufacture of around 35,000 items of rubber products ranging from toy balloons to tyres of giant earth moving equipments. Rubber cultivation is basically environment friendly, helps in the ecological restoration of the country-side, functions as source of the much needed firewood and precious timber, easing the pressure on natural forests for wood and timber and provides vegetable oil, oil cakes and honey as by-products. The Indian rubber plantation industry provides direct employment to over four lakh persons and offers large opportunities of employment in allied activities.

Rubber is grown in about 6.62 lakh hectares. There are more than one million small and marginal farmers with an average size of holding of half hectare engaged in rubber cultivation. The small holding sector accounts for 90 per cent of rubber planted area.

Bulk of the plantation is raised in the remote areas of the country thereby contributing substantially to rural development and restoration of ecology. India today ranks number one in rubber productivity and number four in production of natural rubber in the world. This has been made

possible due to the adoption of various clones which the Rubber Research Institute of India has been able to produce, including the one Clone RRII 105, which was introduced in 80s and known as 'wonder clone.' In order to meet the future demand, 60,000 hectares of area are to be covered under new planting in the North-Eastern Region during the 11th Plan and the 12th Plan Period. For this purpose, the Government has approved setting up of three new regional offices of the Rubber Board in the North-East Region and creation of as many as 52 new posts.

Development and control of rubber is regulated under the Rubber Act, 1947. This Act, which was enacted in 1947, is being amended in the light of the 159th Report of the Law Commission of India on "Repeal and Amendment of Laws." Over the years, the industry has undergone immense changes. The Rubber Act, 1947, was last amended in 1994. In view of the developments, suitable amendments in the provisions of the Rubber Act, 1947, are needed.

Sir, in the proposed amendment, the definition of small growers is being changed from the existing limit of 50 acres (20 hectares) to 10 hectares. This will enable the Board to utilise the available funds fruitfully for improvement of small holdings and facilitate greater participation of small growers holding less than ten hectares in the activities of the Board.

It is also proposed to establish a Rubber Development Fund in place of the existing two funds to facilitate quick and smooth flow of money. This will help in improving the overall functioning of Rubber Board.

An enabling provision is being made to charge and exempt cess from the exporters. This is being done in the light of the Audit objection for not charging the cess from the exports of natural rubber from 1st April 1961 to 31st August 2003.

In order to make the amendments grower-friendly, certain provisions like registration of estates, licensing for planting and replanting, and reports to be submitted by the licensees are proposed to be omitted. This will ease the burden on the growers.

Rubber Board is also being empowered to implement the standards for quality, marking, labelling, and packing for the produced or processed in, imported into or exported from, India. This will give better recognition to the domestically produced rubber in the international market. The domestic consumers will also be able to get good quality rubber from foreign market through quality checks.

Sir, currently, the cess is collected from the manufacturers @ Rs.1.50 per kg. The procedure involves filing of return, assessment of cess by the Board, and demand and collection of cess from the assessee. This involves delay, unnecessary expenditure and loss of revenue. In order to avoid all these, the amendment is proposed to provide for self-assessment and remittance of cess by the assessee. The cess being a specific duty, the assessee will not have any difficulty in determining himself the cess due and remitting the same. This will simplify the procedure.

As there is rampant violation also of the Act, the penalty provisions have been made more stringent. However, there is a provision to compound offences punishable under this Act. It is also proposed to include three representatives of the Central Government in the Rubber Board in order to provide technical advice and guidance to the Board/growers.

Sir, I will respond to the amendments which have been proposed here once Members of Parliament raise them. But I would only say, Sir, that this amendment is aimed at giving more benefits to the small growers, clearly defining small holdings, and doing away with obsolete procedures which are burdensome and also make things difficult for the small growers.

Mr. Vice-Chairman, with these words, I commend the Bill to the House.

The question was proposed.

SHRI M. RAMA JOIS (Karnataka): Sir, by and large, I am not opposing the amendments. Already 60th anniversary of this Act is over. It is a pre-Constitutional enactment of 1947 and, therefore, it is quite natural that some amendments have become necessary. But, my first objection is: Why was this Bill not referred to the Standing Committee? ...*(Interruptions)*... According to the procedure followed, the Bill has to first go to the Standing Committee and there will be sufficient opportunity to discuss the various provisions of the Bill. But, that has not taken place and I find that there was absolutely no excuse or good reason for not referring it to the Standing Committee. Of course, nothing moves without rubber because every vehicle has to move on rubber. Rubber is, no doubt, elastic, but, the law must be specific. Therefore, I will point out two or three important points. First is, as I already said, the matter should have been referred to the Standing Committee. Secondly, Section 3 is most important. In Section 3, the proposal is, three members to be nominated by the Central Government of whom two shall be from the Department of Commerce and one from the Department of Agriculture and Cooperation. They have not specified officers from which cadre will be nominated. As it stands anybody can be nominated, irrespective of his cadre or class. It must be very specific. Three members or officers to be nominated should be of a specified cadre or rank. Otherwise, anybody and anyone from the Department can be nominated.

I would like to point out another important thing. I have got a copy of 1947 Act. Section 3 provided that Chairman is going to be appointed by the Central Government. That is all right. Sub-Section (3) of Section 4 provided that two members to represent the State of Tamil Nadu one of whom shall be a person representing rubber producing interests; eight members to represent the State of Kerala six of whom shall be persons representing rubber producing interests, three of such six persons representing the small growers; ten members to be nominated by the Central Government, of whom two shall represent the manufacturers and four labour; three Members of Parliament of whom two shall be elected by the House of the People and one by the Council of States. Then, there are two ex-officio Members. In total, there are 29 Members.

Now, I come particularly to clause (b) of Section 4(3) of that Act. It provided for two members representing the State of Tamil Nadu. It was originally the State of Madras. This expression 'Tamil Nadu' was inserted by the Madras State (Alteration of Name) Amendment Order, 1970, ...*(Interruptions)*... Now, the most important thing is that the States Reorganisation Act came into effect from 1.11.1956. The rubber growing area in the State of Madras namely South Canara became part of Karnataka. The South Canara District is the major rubber growing area. From 1.11.1956 onwards, it is in Karnataka. But, as far as Karnataka is concerned, thousands of acres of rubber is being grown. I come from that area. They are Shimoga, Chikamangalur, South Canara and Hassan districts. And, particularly wherever there are coffee estates, the rubber trees are grown as trees for giving shade.

Therefore, my appeal to the hon. Minister is, similar to clause (b), clause (bb) or clause (ba) may be inserted, and two members representing the State of Karnataka, one of whom shall be a person representing rubber producing area. Then only there will be some justification. It is by a parliamentary legislation, the rubber growing area which was in Madras State has become part of the State of Karnataka. This is totally ignored. Therefore, in order to do justice to the State of Karnataka and the growers and manufacturers of rubber in the State of Karnataka, similar representation to the State of Karnataka has to be given. This might not have been because of oversight or whatever may be the reason the same has been omitted.

My second point is about clause (5). In the principal Act, section 9, 9(a) and 9(b), the following section shall be substituted.

There shall be a fund to be called a Rubber Development Fund and there shall be credited all sums forming the Fund of the Board immediately before the commencement of the Rubber Amendment Act. The proceeds of cess paid to the Board by the Central Government under sub section (7) of section 12. Any sums of money that may be paid to the Board by way of grants or loans by the Central Government, internal and extra budgetary services, all the monies received and collected under section 26(a) and any other sum that may be levied and collected under this section. As far as the rubber fund is concerned, this is all right.

But coming to the expenditure, the Bill provides that the Rubber Development Fund shall be applied to meet the expenses of the Board, to meet the cost of the measures referred to in section 9 to meet the expenditure incurred in the performance of its functions under this Act or the rules, to meet the expenditure for rehabilitation and for making such grants to rubber growers estates or for meeting the cost of such other assistance to Rubber States as the Board may think necessary for its development. My submission is, whenever such huge funds are placed at the hands of the Board, there must be specific criteria or reasons or conditions stating how the money should be spent. Unfortunately, in our country, what has happened is that many persons aspire to become Minister and when a Minister's seat is not available, then at least, give him the chairmanship of the Board. I

know recently of one instance where a Chairman of the Board refused to oblige some powerful politician to give venicles of the Board for his use. This is one of the areas where these Boards misuse. The vehicles of the Board are given to politicians or powerful persons. In this case, he refused to give the vehicle, and therefore, he was removed from the office of Chairman of the Board itself. Therefore, my submission is, funds which are placed at the hands of the Board, must be regulated by specifically laying down what are the purposes for which it should be used. They are totally vague, in section 9 of the Act which is sought to be introduced by this amendment. The other objectionable provision is section 12, second proviso.

SHRI RAVI SHANKAR PRASAD (Bihar): Sir, I hope my good friend, Mr. Anand Sharma, is noting because a judicial judgment is coming about. Rama Jois has been a former Chief Justice also. Therefore, he is reading about all the clause by clause implications and interpreting.

SHRI ANAND SHARMA: This is not a court of law. This is legislature. We legislate.

SHRI M. RAMA JOIS: The other objectionable provision is section 12, second proviso. Provided further, the Central Government may, by notification in the official gazette, specify zero paisa per kg. as the rate of duty of excise on natural rubber produced in India and procured for export by the exporter of natural rubber for the period commencing from 1st April 1961 to 31st August 2003. For forty two years, the Central Government is given the power to make the cess zero. What is the rational basis? You can't take date from a hat.

Section 12 provides that if the cess is not paid, there is a penal provision also. ...*(Interruptions)*... And in this behalf, I only invite your attention to the Financial Memorandum. In clause 7. ....*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Now, have less talks. A lot of noise is coming. ...*(Interruptions)*...

SHRI M. RAMA JOIS: Sir, it is a very important point. In clause 7 of the Bill *vide* second proviso to sub-section 2 of section 12, it is stated: "The Central Government may provide, by notification, ...*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Mr. Kalita. ...*(Interruptions)*... Mr. Kalita. ...*(Interruptions)*... Mr. Kalita, I can't hear here. ...*(Interruptions)*... All of you are speaking together. What is this? ...*(Interruptions)*... All the noise is coming here. A little more decorum I am expecting from every Member. Even those who speak, speak at a low voice.

SHRI M. RAMA JOIS: Sir, there is a difference between 'hearing' and 'listening'. 'Hearing' means one makes a sound, you hear, but 'listen' what I said must be understood.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Yes.

SHRI M. RAMA JOIS: Therefore, I request. ...*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): That is my problem; I am not able io listen. ..*(Interruptions)*...

SHRI M. RAMA JOIS: "The Central Government can notify zero cess on rubber from 1 April, 1961 to 31st August 2003. This would result in exemption of cess amounting to Rs.16,68,59,000. The figure is given 'Rs.16 crores and odd cess'! Power is given to the Central Government to exempt it. For whose benefit? What is the rational basis for doing so? There is nothing except the Central Government may issue an order for this period; the cess will be zero; the Exchequer will lose Rs.16 crores. Why? And there is article 14. Suppose a person beyond 63 years says, "Why are you not exempting me" Legitimately, he can be right. So, under article 14, you can classify and say, give some benefit' and deny that to some other provided there is a rational nexus between the exemption that is sought to be given. What is the rational nexus? That is not found in the Financial Memorandum at all. Therefore, my submission is, this provision for giving exemption is wholly arbitrary and, therefore, needs to be deleted. Ultimately, my submissions are two. In section 3, there is every justification for giving representation to the State of Karnataka as the rubber growing area of Tamil Nadu has become a part of the State of Karnataka from 1.11.56. More than 53 years are over. Thousand of acres of rubber is being grown in the State of Karnataka.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Mr. Singh, you go here and there, stand and start talking. I warn you, don't do like this.

डा. (श्रीमती) नजमा ए. हेपतुल्ला (राजस्थान) : Lobbying हो रही है। ...(**व्यवधान**)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): No coming and standing in the passage.

SHRI M. RAMA JOIS: Therefore, I appeal to the hon, Minister to do justice to the State of Karnataka by providing representation in the same manner which is given to Tamil Nadu and, similarly, the exemption provision making zero should be deleted.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Okay. Thank you, Mr Jois. Now, Shri P.R. Rajan.

SHRI P.R. RAJAN (Kerala): Thank you, Mr. Vice-chairman, Sir, for giving me an opportunity to speak on the Bill.

At the outset, I oppose the Centre's decision to amend the Rubber (Amendment) Bill, 2009 because the Bill has not been sent to the Standing Committee for discussion. We hope that the amendment would affect the rubber farmers and plantation workers around the country, along with the exporters, because the time allotted is not sufficient for a thorough discussion on the matter.

India is one among the top ten rubber-producing countries. Kerala State is a leading rubber plantat ion State in India. Kerala State is a leading rubber plantation State amongst other States.

Kerala accounts for 92 per cent of the rubber production in the country, of which small and marginal farmers are responsible for producing around 85 per cent of rubber.

Rubber is cultivated in 6.451 lakh hectares in Kerala and about 4.64 lakhs of people are working in rubber farms. The total volume of trade in the year 2008 in this sector is around Rs.62,000 crores. Rubber brought to the country about Rs.1,069 crores through foreign trade. If we go to the history, this plant was brought to the country by the British and spread in Kerala, providing thousands of people their daily bread and more than that.

The amendment to the 62-year old Rubber Act, according to the Centre, is to remove the obsolete provisions restricting the sector's growth and check illegal transactions. The Bill aims at creating a Rubber Development Fund and giving fresh impetus to the functioning of the Rubber Board, The Statement of Objects and Reasons of the Bill says that it aims at creating a Rubber Development Fund to meet expenses on rehabilitation of small growers. It also wants to delete the provisions relating to registration of rubber estates and licence for planting or replanting of rubber, which are redundant at present.

The Centre also claims that through this Bill, a self-assessment procedure would be introduced to replace the existing assessment and collection of cess which is time consuming and complex. The Bill also provides for enhancement of penalty for violation of the Act and introduction of a new provision for compounding of offences to check illegal transaction and evasion of the rubber cess. According to the Centre, this is to ensure quality standards of natural rubber exported and imported, as well as, consumed in the domestic market.

The Bill empowers the Central Government to levy zero paisa per kilogram of excise duty on natural rubber produced and procured for export between April 1, 1961 and August 31, 2003. This would result in exemption of cess amounting to Rs. 16,68,59,000 on the rubber produced and procured for export. Here, I have a serious doubt about this. It has been stated in clause 7 of the Bill as follows:

(b) the following provisos shall be inserted, namely:-

"Provided that the Central Government may, if considered necessary in the public interest, by order for reasons to be recorded in writing, exempt or reduce the duty of excise on rubber exported on such terms and conditions as it deems fit;

Provided further that the Central Government may, by notification in the Official Gazette, specify zero paisa per kilogram as the rate of duty of excise on natural rubber produced in India and procured for export by the exporters of natural rubber for the period from the 1st April, 1961 to the 31st August, 2003."

Sir, at this point, I have an important issue to mention. By deciding to sign the Indo-ASEAN Treaty for free trade, the Centre has surprised the rubber farmers and plantation workers. The decision will adversely affect the rubber growers and plantation workers. From the newspaper reports we learn that the Centre is planning to eliminate the import duty on rubber. The Centre is

putting the lives of lakhs of farmers, plantation workers, small industrialists and industrial workers in this sector to risk by taking such a decision.

The provisions that the Government is making to support the small rubber farmers, through this Bill, will yield no result if the Centre decides to move ahead with the ASEAN Treaty. If the Centre is serious in protecting the interests of the farmers, they must backtrack from this move. I think all Members from Kerala, including senior Ministers, are in agreement with this demand. The Government should ideally increase the import duty on rubber and allied products.

For example, the duty on tyre import is only 20 per cent. There are demands that the Government should increase it to, at least, 40 per cent in order to save the tyre industry and rubber plantations from the ill-effects of tyre imports.

Research and development of rubber used in industrial factories should also be expanded. In Western countries such researches have been expanding very quickly. In Europe, people bring natural latex to prepare raincoats, produce rubber sheet and seals for engine's flexibility, doctor's equipment, sport wears, gift and toys.

Rubber is only natural raw material available for making furniture, foam for bed and sofa. Diversification of the products will prove beneficial for farmers. Methods to increase the production of rubber should also be developed to meet the growing demand in the country.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Please conclude.

SHRI P.R. RAJAN: Sir, I will take one minute. The Government says that the definition of 'small grower' is to be amended whereby a 'small grower' would be an owner whose estate does not exceed ten hectare in area against the existing limit of fifty acres, that is, 25 hectare in area. This is a very good move. A lot of farmers would be benefited by this. The amendment will also provide for representation of the Central Government in the Rubber Board. This, I doubt,...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): That is enough. You can lay it on the Table.

SHRI P.R. RAJAN: ...will have an impact on the independent and democratic character of the Rubber Board. Already, there are two...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): You are reading your speech and taking more time. I cannot allow that. Reading itself is against the rule. Then you are taking more time.

SHRI P.R. RAJAN: There are three members in the Board. This will destroy the democratic character of the Board. I hope the Government will reconsider it. We have already moved an amendment in this regard. Thank you.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): The House is adjourned for lunch for one hour.

2.00 **P.M.**

The House then adjourned for lunch at three minutes past one of the clock. The House re-assembled after lunch at three minutes past two of the clock,

THE VICE-CHAIRMAN (PROF. P. J. KURIEN) in the Chair.

PAPERS LAID ON THE TABLE *(Contd.)*

Report of NC RLM (Volumes I and II)

THE MINISTER OF STATE OF THE MINISTRY OF MINORITY AFFAIRS (SHRI SALMAN KHURSHEED): Sir, I lay on the Table, a copy (in English and Hindi) of the Report of the National Commission for Religious Linguistic Minorities (NCRLM) (Volumes I and II).

SHRI JESUDASU SEELAM (Andhra Pradesh): Sir, what about the Action Taken Report of the Government? When will it be laid?

The Rubber (Amendment) Bill, 2009 *(Contd.)*

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, we will continue with the discussion on the Rubber (Amendment) Bill, 2009. ...*(Interruptions)*...

SHRI RAHUL BAJAJ (Maharashtra): Sir, if you permit me, I want to raise two points.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Is it on a point of order?

SHRI RAHUL BAJAJ: We have just got Part II of the Parliamentary Bulletin, which says that the Salaries and Allowances of Ministers (Amendment) Bill will be passed without discussion. I have no objection to anybody getting more salary because I myself am getting a lot of salary. But why should it be passed without discussion?

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): You cannot raise it now. You raise it when that subject is taken up. ...*(Interruptions)*... The Minister wants to say something. Kindly sit down.

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI PAWAN KUMAR BANSAL): Sir, the hon. Member has chosen to raise that point. Let me make one thing very clear. The Amendment Bill does not relate to any increase in the salary or perks. There is only one discrepancy because there is a disparity between the air journeys which an hon. Member as a Member of Parliament gets and the air journeys he would get if he were to get into the Government; he may not have those. So, there was some mistake somewhere. It is only to rectify that.

So far as the other thing is concerned, I am sure the hon. Member is aware of this, that any decision which is taken by the Business Advisory Committee is not discussed in that way. It was the Business Advisory Committee which said since the letter relates only to that one simple point – it is not the enhancement of any salary or perks–it need not be discussed. That is all that was said. I thought it better to clarify that point.